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In re: Chattel Lien Non-Filing Bond--No. DH-03-21058

Gentlemen:

The above Chattel Lien Non-Filing Bond was issued by your company to the CIA Federal Credit Union, in care of the undersigned, effective May 11, 1952. I am writing this letter to obtain prospective confirmation of our understanding that the coverage of this bond extends to certain situations which we anticipated might arise at the time we entered into this agreement but which are not expressly provided for therein.

Paragraph I of the Insuring Agreements provides in part that the company will

"indemnify the insured for any loss sustained by reason of having in good faith and in the usual course of business purchased, taken, received, made advances on, made loans against or extended credit upon an instrument, as herein-after defined, but only in so far as the loss results from the insured being prevented from...(2) in enforcing its rights under such instrument, solely as the result (a) of the failure of the insured or the insured's representatives duly to record or file the instrument with the proper public officer or public office..."

It is our understanding that this paragraph provides coverage in those exceptional cases where the policy of CIA prevents recording of an instrument for reasons peculiar to the unique requirements of that agency. The "failure...to record" in these instances, is thus not the result of inadvertency or oversight, but rather the concerted intent of the insured and CIA. The determination not to file in any given instance must, of course, be made exclusively in the discretion of CIA and the CIA Federal Credit Union. If our understanding is a proper representation of the meaning of the provision partially quoted above, would you kindly request an authorized representative of your company to concur therein in behalf of the company by signing in the space provided below.

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We should like this expression of understanding to be attached to and become a part of the above-named bond and your signification of concurrence therein to be an agreement accordingly. To that end we enclose an executed copy of this letter with the request that you sign as above indicated if determined appropriate and return to us for our files.

Very truly yours,

[Redacted]

STATINTL

Treasurer
CIA Federal Credit Union

CONCURRENCE:

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By _____
Authorized Representative

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CONFIDENTIAL